

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**DECEMBER 13, 2007**

The Members of the Department of Financial Institutions met at 10:00 a.m., EDT, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Attending the meeting from the Department were: Judith G. Ripley, Director; John J. Schroeder, General Counsel, Deputy Director, Non-Depository Division and Secretary; James M. Cooper, Deputy Director, Non-Depository Division and Assistant Secretary; Connie Gustafson, Assistant Legal Counsel; Gina R. Williams, Deputy Director, Administration Division; Troy Pogue, Supervisor, Administration Division; Kirk J. Schreiber, Senior Bank Analyst; Mark Tarpey, Supervisor, Consumer Credit Division; Mark Powell, Supervisor, Credit Union Division and Ronda Bailey, Executive Secretary. Representing Baker & Daniels was David Worrell. Representing Indiana University Employees Federal Credit Union, Bloomington, Indiana were: Bryan Price, CEO; Andy Allard, VP/COO; and Julie Ragsdale, VP/CAO. Also present was Scott Shelton, Credit Union Examiner.

**I. EXECUTIVE SESSION:**

John Schroeder and Director Ripley updated the Members of pending litigation. This aspect of the Executive Session is authorized by IC 5-14-1.5-6.1 (b)(2)(B).

**II. PUBLIC SESSION:**

- A. Members Present: Richard J. Rice, Chairman; Mark A. Schroeder, Vice Chairman; Michael W. Davis, Donald E. Goetz, and Judith G. Ripley, Director. Paul Sweeney was absent.
- B. Approval of November 16, 2007, minutes. Chairman Rice entertained a motion to approve the minutes of November 16, 2007. Mr. Schroeder moved approval of the minutes. Mr. Davis seconded the motion, and the motion passed unanimously.
- C. Date of next meeting. January 10, 2008 @ 10:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

**D. DIVISION OF BANK AND TRUST COMPANIES:**

**1. M&I LLC, Milwaukee, Milwaukee County, Wisconsin**

Mr. Kirk J. Schreiber, Senior Bank Analyst presented this application. Mr. Schreiber introduced David Worrell who was attending the meeting representing the applicant.

Mr. Schreiber informed the Members that M&I LLC, Milwaukee, Wisconsin ("M&I") filed an application to acquire 100% of First Indiana Corporation, Indianapolis, Indiana and thereby acquire its subsidiary bank, First Indiana Bank, National Association, Indianapolis, Indiana pursuant to IC 28-2-16.

M&I, First Indiana Corporation and FIC Acquisition, Inc. Milwaukee, Wisconsin ("FIC") entered into an Agreement and Plan of Merger ("Agreement") dated July 8, 2007. FIC is a wholly owned subsidiary of M&I and was formed for the sole purpose of effecting the merger of FIC with and into First Indiana Corporation. Immediately thereafter, First Indiana Corporation will merge with and into M&I. M&I's lead bank subsidiary M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin and First Indiana Bank, National Association will subsequently merge in the first quarter of 2008 with M&I Marshall & Ilsley Bank as the survivor.

Mr. Schreiber informed the Members that it was the opinion of the Department staff that all the statutory requirements of IC 28-2-16-17 had been satisfactorily met and approval was recommended.

A motion for approval of the application was made by Mr. Goetz and seconded by Mr. Schroeder. The application was unanimously approved.

**E. CREDIT UNION DIVISION:**

**1. Indiana University Employees Federal Credit Union, Bloomington, Monroe County, Indiana**

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Mr. Powell introduced the following guests who were attending the meeting representing the applicant: Bryan Price, CEO; Andy Allard, VP/COO; and Julie Ragsdale, VP/CAO.

Mr. Powell informed the Members that Indiana University Employees Federal Credit Union (IU) filed an application for approval of their proposed conversion from a federal to a state charter. IU is a federal credit union, chartered, regulated, and insured by the National Credit Union Administration (NCUA). As of September 30, 2007, IU had total assets of \$565.1 million and total equity capital of \$68.0 million. The board of directors of IU adopted a resolution on May 4, 2007, which authorized Bryan Price, President/CEO of the credit union to pursue all of the necessary regulatory approvals to accomplish a conversion from federal to state charter.

Upon conversion, IU will be governed by the provisions of I.C. 28 applicable to state chartered credit unions. As a state chartered credit union, IU will be regulated by the Department of Financial Institutions and insured by the National Credit Union Share Insurance Fund. In order to convert to a state chartered credit union, IU must follow the conversion statute contained with I.C. 28 and the Federal Credit Union Act.

Mr. Powell informed the Members that IU was considered to be fundamentally sound with adequate capital and earnings and minimal asset quality problems, and directed them to more detailed information in their packets.

Mr. Powell informed the Members that it was determined by the Department staff that the proposed conversion of Indiana University Employees Federal Credit Union to an Indiana state charter meets the requirements of I.C. 28-7-1-29. The investigation by the staff has concluded that the resulting Indiana state chartered credit union will be operated in a safe, sound, and prudent manner.

Based upon the aforementioned findings, the staff recommended that the proposed conversion of Indiana University Employees Federal Credit Union be approved.

After Mr. Powell's presentation, questions concerning the name of the new state chartered credit union and the reason for the federal credit union converting to a state charter were raised by Mr. Schroeder. Mr. Price (CEO) of the credit union stated that the new name of the state chartered credit union would be Indiana University Credit Union, and that the credit union was converting to take advantage of the community fields of membership that can be obtained with a state charter.

A motion for approval of the conversion was made by Mr. Davis and seconded by Director Ripley. The application was unanimously approved.

**F. DIRECTOR'S COMMENTS AND REQUESTS :**

1. Director Ripley and John Schroeder updated the Members on legislative matters. **This item was for informational purposes only.**
2. **German American Bancorp, Jasper, Dubois County, Indiana**  
The bank notified the Department that the "**Birdseye Office**" located at 103 West State Road 64, Birdseye, Indiana closed on November 10, 2007. **This item was for informational purposes only.**
3. **Salin Bank & Trust Company, Indianapolis, Marion County, Indiana**  
The bank notified the Department that the "**New Haven Branch**" located at 821 Lincoln Highway West, New Haven, Indiana closed on December 1, 2007. **This item was for informational purposes only.**

**G. DIRECTOR'S DELEGATED ACTIONS:**

1. **Star Financial Bank, Fort Wayne, Allen County, Indiana**  
The bank has applied to the Department for approval to establish a branch office to be located at 3610 River Crossing Parkway, Indianapolis, Marion County, Indiana. The branch is to be known as the Keystone at the Crossing Office. **This request was approved by the Director on November 15, 2007, under delegated authority.**

2. **The Bath State Bank, Bath, Franklin County, Indiana**

The bank has applied to the Department for approval to establish a branch office to be located at 3828 South U.S. Highway 27, West College Corner, Union County, Indiana. The branch is to be known as The Bath State Bank. **This request was approved by the Director on November 15, 2007, under delegated authority.**

3. **MB Financial Bank, National Association, Chicago, Cook County, Illinois**

An application for issuance of a certificate of admission was received from MB Financial Bank, National Association, Chicago, Cook County, Illinois ("MB Financial"). MB Financial filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Dyer Indiana. MB Financial is a nationally chartered bank. CT Corporation Systems, 251 East Ohio Street, Suite 1100, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by MB Financial. **A Certificate of Admission was issued by the Director on November 15, 2007, under delegated authority.**

4. **Jackson County Bank, Seymour, Jackson County, Indiana**

The bank has requested permission to hold five parcels of property in excess of three years for future expansion as prescribed in IC 28-1-11-5. The oldest parcel was purchased in 2002 and is a vacant lot on the west side of Seymour located at Lot #4 at Tipton Crossing on East Tipton Street. The remaining four parcels are all adjoining and are contiguous to the bank's main office in Seymour. They are located at: 109 St. Louis Avenue, purchased in 2003, currently being used as the bank's maintenance facility; 100 Jefferson Avenue, purchased in 2004, current building being leased; and two vacant lots with no physical address, purchased in 2003. The bank's intent for these properties was provided in a letter to the Department. At the bank's board meeting on July 16, 2007, the board adopted a board resolution reaffirming that the bank expects to use the five parcels of real estate for future expansion. Currently the properties are on the bank's books for \$427,408. As of 9/30/07, the bank had total assets of \$367 million, total deposits of \$286 million, and total equity capital of \$34 million. As of September 30, 2007, the bank's Tier 1 leverage capital ratio is 9.54%. Allowing the bank to continue to hold the real estate does not appear to endanger the safety and soundness of the financial institution. **The banks request to hold other Real Estate until December 31, 2008 was approved by the Director under delegated authority on November 15, 2007. Should the bank not be able to utilize the Real Estate within this time frame, another request to the Director pursuant to IC 28-1-11-5 will be required.**

5. **Evansville Commerce Bank, Evansville, Vanderburgh County, Indiana**

Evansville Commerce Bank has requested approval of the Director for permission to add a new director to the bank's board of directors. Evansville Commerce Bank was approved as a state chartered commercial bank by the Department on March 9, 2006, and opened for business on May 30, 2006. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years of operation. Evansville Commerce Bank has requested adding Mr.

Andrew

T. Spurling as director of the bank. **This request was approved by the Director on November 15, 2007, under delegated authority.**

6. **Dupont State Bank, Dupont, Jefferson County, Indiana**

The bank has applied to the Department for approval to establish a branch office to be located at **1725 East Tipton Street, Seymour, Jackson County, Indiana**. The branch is to be known as the **Seymour Branch**. **This request was approved by the Director on November 27, 2007, under delegated authority.**

7. **First Security, Inc., Owensboro, Daviess County, Kentucky**

An application has been filed for permission to establish an interim bank to be known as Warrick Interim Bank, Inc. Warrick Interim Bank, Inc. will be a wholly owned subsidiary of First Security, Inc. The interim bank will be located at 130 South Third Street, Boonville, Warrick County, Indiana. The interim bank will never be operational and is being formed to facilitate the pending acquisition and interstate merger of Warrick Loan and Savings Association, Boonville, Warrick County, Indiana by First Security, Inc. The acquisition will be accomplished through a merger transaction, whereby Warrick Loan and Savings Association will be merged with and into Warrick Interim Bank, Inc. and, immediately thereafter, Warrick Interim Bank, Inc. will be merged with and into First Security Bank of Owensboro, Owensboro, Daviess County, Kentucky. If approval for the merger of Warrick Loan and Savings Association with and into Warrick Interim Bank, Inc. or the merger of Warrick Interim Bank, Inc. with and into First Security Bank of Owensboro, as outlined in the application, is not obtained by the necessary regulatory authorities, First Security, Inc. will take the steps necessary to dissolve Warrick Interim Bank, Inc. **This request was approved by the Director on November 27, 2007, under delegated authority.**

8. **Warrick Interim Bank, Inc., Boonville, Warrick County, Indiana**

Warrick Interim Bank, Inc. has applied for approval of a merger with Warrick Loan and Savings Association, Boonville, Warrick County, Indiana pursuant to IC 28-1-7. Warrick Interim Bank, Inc. was formed specifically to facilitate the pending acquisition and interstate merger of Warrick Loan and Savings Association, Boonville, Warrick County, Indiana by First Security, Inc., Owensboro, Daviess County, Kentucky. Pursuant to the Agreement and Plan of Merger Warrick Loan and Savings Association will be merged with and into Warrick Interim Bank, Inc. As a result of the proposed merger, Warrick Interim Bank, Inc. will survive as the wholly owned subsidiary of First Security, Inc. and will become a state chartered commercial bank located at 130 South Third Street, Boonville, Warrick County, Indiana. Immediately after the merger transaction is consummated, Warrick Interim Bank, Inc. will merge with and into First Security Bank of Owensboro, Owensboro, Daviess County, Kentucky. **This request was approved by the Director on November 27, 2007, under delegated authority.**

9. **Direct Loan America, Inc.** is requesting a consumer loan license. Applicant is based in Corona, California. They will be making second mortgage loans. **This request was**

**approved by the Director on November 28, 2007, under delegated authority.**

10. **Metropolitan Financial Services, Inc.** is requesting a consumer loan license. Applicant is based in Greenwood, Indiana. They will be making second mortgage loans. **This request was approved by the Director on November 28, 2007, under delegated authority.**
11. **Transcontinental Lending Group, Inc.** is requesting a consumer loan license. Applicant is based in Deerfield Beach, Florida. They will be making second mortgage loans. **This request was approved by the Director on November 28, 2007, under delegated authority.**
12. **Check into Cash of Indiana, LLC d/b/a Check Into Cash** is requesting a check casher license. Applicant is based in Cleveland, Tennessee. They plan to do check cashing in 11 of their 79 Indiana locations where they operate payday loan branches. **This request was approved by the Director on November 28, 2007, under delegated authority.**
13. **Red's Worldwide Pawn, LLC d/b/a Red's Pawn Shop** is requesting a pawnbroker license. Applicant is based in Elkhart, Indiana. References were all satisfactory. **This request was approved by the Director on November 28, 2007, under delegated authority.**

**CERTIFICATION:**

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session, was conducted in the public place.

**Other Business.** Chairman Rice asked if there was other business. There being no further business, Chairman Rice entertained a motion to adjourn. Mr. Goetz moved the motion to adjourn and Mr. Schroeder seconded the motion, and the motion passed unanimously.

**APPROVED:**

**ATTEST:**

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**Richard J. Rice, Chairman**

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**John J. Schroeder, Secretary**

